

SENATE BILL 545

C8, O2

0lr1322

By: **Senator Harrington**

Introduced and read first time: February 4, 2010

Assigned to: Education, Health, and Environmental Affairs and Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Assisted Housing – Protected Actions – Extended Leases for Seniors**

3 FOR the purpose of requiring an owner of an assisted project to offer a certain
4 extended lease to a designated household if the designated household includes
5 an individual who is at least a certain age under certain circumstances; and
6 generally relating to extended leases for seniors in assisted housing.

7 BY repealing and reenacting, without amendments,
8 Article – Housing and Community Development
9 Section 7–101(j), 7–102(a), and 7–213
10 Annotated Code of Maryland
11 (2006 Volume and 2009 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Housing and Community Development
14 Section 7–214(a)
15 Annotated Code of Maryland
16 (2006 Volume and 2009 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Housing and Community Development**

20 7–101.

21 (j) “Protected action” means a sale, conveyance, transfer, prepayment,
22 termination, failure to renew, or expiration under § 7–102(a) of this title.

23 7–102.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) Each owner of an assisted project is subject to this title if the owner takes
2 or intends to take any of the following protected actions:

3 (1) the prepayment in full before the maturity date of mortgage
4 financing that is:

5 (i) insured under § 221(d)(3) of the National Housing Act, 12
6 U.S.C. § 1715l(d)(3), and assisted under § 101 of the Housing and Urban Development
7 Act of 1965, 12 U.S.C. § 1701s, or under § 8 of the United States Housing Act of 1937,
8 42 U.S.C. § 1437f;

9 (ii) insured under § 221(d)(3) of the National Housing Act, 12
10 U.S.C. § 1715l(d)(3), and bears interest at a rate determined under § 221(d)(5) of the
11 National Housing Act;

12 (iii) insured or assisted under § 202 or § 236(a) or (b) of the
13 National Housing Act, 12 U.S.C. § 1701q or 12 U.S.C. § 1715z-1(a) or (b);

14 (iv) insured or assisted under § 515 of the Housing Act of 1949,
15 42 U.S.C. § 1485; or

16 (v) held by the United States Department of Housing and
17 Urban Development and insured or assisted, or formerly insured or assisted, under a
18 program authorized by a statute referred to in item (1) of this subsection;

19 (2) the termination before expiration of or failure to exercise any
20 stated renewal option under an agreement providing for project-based § 8 rental
21 assistance for any units in an assisted project;

22 (3) the expiration, including a failure to extend after the expiration, of
23 an agreement providing for project-based § 8 rental assistance to any units in an
24 assisted project; or

25 (4) the sale or conveyance of an assisted project by the owner in
26 conjunction with, or within 1 year after the effective date of, any of the events
27 described in item (1), (2), or (3) of this subsection.

28 7-213.

29 An assisted household is a designated household if it includes:

30 (1) an individual who has been a member of the household for at least
31 12 months before the notice of intent is given and who:

32 (i) is at least 62 years old on the day that the notice of intent is
33 given; or

1 (ii) qualifies as a person with disabilities under § 3(b)(3) of the
2 United States Housing Act of 1937, 42 U.S.C. § 1437f; or

3 (2) a minor.

4 7–214.

5 (a) (1) This subsection applies if a protected action affects a unit occupied
6 by a designated household that:

7 (i) is current in its rent and has not violated any other material
8 term of the lease;

9 (ii) within 60 days after the giving of the notice of intent,
10 provides the owner with written notice showing that the household qualifies as a
11 designated household and stating that the household is applying for an extended lease
12 under this section; and

13 (iii) executes the extended lease form delivered in accordance
14 with § 7–216(a)(2) of this subtitle and returns it to the owner within 60 days after the
15 giving of the notice of intent.

16 (2) Except for a protected action under § 7–102(a)(3) of this title AND
17 **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION**, an owner may not take a
18 protected action that affects a unit in an assisted project occupied by a designated
19 household without offering to the designated household an extended lease for at least
20 3 years beginning on the day of the giving of the notice of intent.

21 **(3) AT THE EXPIRATION OF AN EXTENDED LEASE OFFERED TO A**
22 **DESIGNATED HOUSEHOLD UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE**
23 **OWNER SHALL OFFER TO THE DESIGNATED HOUSEHOLD A SECOND EXTENDED**
24 **LEASE FOR AT LEAST 2 YEARS IF THE DESIGNATED HOUSEHOLD INCLUDES AN**
25 **INDIVIDUAL WHO:**

26 **(I) IS AT LEAST 62 YEARS OF AGE ON THE DAY THE FIRST**
27 **EXTENDED LEASE EXPIRES; AND**

28 **(II) PROVIDES DOCUMENTS THAT DEMONSTRATE THAT THE**
29 **COST OF AVAILABLE HOUSING, IF ANY, IS NOT WITHIN THE SAME PRICE RANGE**
30 **AS THE COST UNDER THE FIRST EXTENDED LEASE.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2010.